

Message Text

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PAGE 01 PEKING 02669 01 OF 02 260611Z
ACTION EA-12

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LIMITED OFFICIAL USE SECTION 1 OF 2 PEKING 2669

E.O. 11652: N/A
TAGS: EAGR, CH
SUBJ: CHI TENG-KUEI'S SPEECH TO THE NATIONAL CONFERENCE ON
FARMLAND CAPITAL CONSTRUCTION, AUG. 1, 1978

REFS: A. PEKING 2596; B. 77 PEKING 1739

1. SUMMARY: DELEGATES TO THIS YEAR'S NATIONAL FARMLAND CAPITAL CONSTRUCTION CONFERENCE GOT THEIR MARCHING ORDERS IN THE SUMMARY SPEECH BY VICE-PREMIER AND POLITBURO MEMBER CHI TENG-KUEI ON AUGUST 1, 1978. CHI REITERATED THE GOAL OF LAST YEAR'S CONFERENCE (REF B) OF BUILDING ONE MOU OF HIGH AND STABLE YIELD LAND FOR EACH RURAL INHABITANT BY 1985. HE DEFINED THE MAIN TASK IN CAPITAL CONSTRUCTION FOR THE WINTER-SPRING PERIOD AS FINISHING UNCOMPLETED PROJECTS AND UPGRADING EXISTING ONES. HE RESTATED THE GOAL, ANNOUNCED EARLIER THIS YEAR, OF RECLAIMING 13 MILLION HECTARES OF LAND BY 1985. CHI OFFERED A NUMBER OF SPECIFIC GUIDELINES FOR PROJECT MANAGERS. THESE INCLUDE TRAINING A SPECIAL CORPS OF TECHNICALLY COMPETENT CAPITAL CONSTRUCTION WORKERS WHO TAKE ON TECHNICAL ASSIGNMENTS AND SEE PROJECTS THROUGH TO COMPLETION. CHI SAID PLANS SHOULD BE DRAFTED AND COORDINATED AT THE COMMUNE, COUNTY AND DISTRICT LEVELS BUT TOTAL MANPOWER LIMITED OFFICIAL USE

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PAGE 02 PEKING 02669 01 OF 02 260611Z

INPUT SHOULD BE LIMITED TO 30 PERCENT OF TOTAL MANPOWER. HE ANNOUNCED THAT STATE INVESTMENT AND SUBSIDIES FOR WATER CONTROL PROJECTS ARE PLANNED TO INCREASE BY 40 PERCENT NEXT YEAR. THE STATE WILL GRANT LONG-TERM, LOW INTEREST LOANS AND HELP PROVIDE EQUIPMENT FOR THE CONSTRUCTION OF SMALL HYDRO POWER PLANTS AND WILL GRANT TAX EXEMPTIONS FOR THESE PLANTS. THE STATE WILL FURTHER ASSIST LOCALITIES IN OBTAINING

EXPLOSIVES AND WILL HELP PROVIDE EQUIPMENT FOR THE CONSTRUCTION OF CEMENT PLANTS.

2. CHI ACKNOWLEDGED THAT RAISING UNIT YIELDS ON ALREADY CULTIVATED LAND IS THE MOST PROMISING WAY TO ACHIEVE THE GOAL OF PRODUCING 400 MILLION TONS OF GRAIN BY 1980. THIS WAS A PRINCIPAL THEME IN LI HSIEN-NIEN'S SPEECH (REF A). CHI SEEMED, HOWEVER, TO PUT MORE EMPHASIS ON CAPITAL CONSTRUCTION RATHER THAN SCIENTIFIC FARMING AND MECHANIZATION AS THE WAY TO RAISE YIELDS. END SUMMARY.

3. THE PEOPLE'S DAILY ON AUGUST 18 CARRIED THE FULL TEXT OF THE SUMMARY SPEECH DELIVERED BY VICE PREMIER CHI TENG-KUEI TO THE NATIONAL CONFERENCE ON FARMLAND CAPITAL CONSTRUCTION. CHI'S SPEECH WAS MORE SPECIFIC AND EXHORTATIVE THAN THAT OF VICE PREMIER LI HSIEN-NIEN (REFTEL).

4. PRESENT CONDITIONS: CHI SAID THAT THE VOLUME OF FARMLAND CAPITAL CONSTRUCTION WORK DONE LAST WINTER AND SPRING REACHED AN ALL-TIME HIGH. THE AREA OF LAND UNDER IRRIGATION IS NOW THREE TIMES THAT DURING THE EARLY DAYS OF LIBERATION, AND THE COUNTRY HAS BUILT MANY THOUSANDS OF LARGE, MEDIUM AND SMALL WATER CONTROL PROJECTS. NOTWITHSTANDING THIS, THE COUNTRY'S ABILITY TO DEFEND ITSELF AGAINST NATURAL DISASTERS (PARTICULARLY FLOOD AND DROUGHT) IS QUITE LIMITED. THE COUNTRY MUST CONTINUE, SAID CHI, TO STUDY TACHAI AND ENGAGE LIMITED OFFICIAL USE

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PAGE 03 PEKING 02669 01 OF 02 260611Z

IN FARMLAND CAPITAL CONSTRUCTION "IN A BIG WAY" - WHILE ALSO INCREASING MECHANIZATION AND SCIENTIFIC FARMING AND LEARNING FROM ABROAD - IN ORDER TO INCREASE UNIT YIELDS.

5. CAPITAL CONSTRUCTION GOALS: CHI REITERATED THE TWO MOST IMPORTANT CAPITAL CONSTRUCTION GOALS TO APPEAR IN THE LAST YEAR, NAMELY, ACHIEVING ONE MOU OF HIGH AND STABLE YIELD LAND FOR EACH RURAL INHABITANT BY 1985 (REF B), AND BRINGING 13 MILLION HECTARES OF NEW LAND UNDER CULTIVATION BY 1985. CHI SAID THAT THE JANUARY AGRICULTURAL MECHANIZATION CONFERENCE HAD DECIDED THAT BY 1985 EVERY DISTRICT SHOULD CONSTRUCT AN AMMONIUM NITRATE FERTILIZER PLANT (THE DISTRICT IS THE ADMINISTRATIVE LEVEL BETWEEN THE PROVINCE AND THE COUNTY).

6. INSTRUCTIONS FOR CAPITAL CONSTRUCTION WORK: CHI DEFINED THE MAIN TASK FOR CAPITAL CONSTRUCTION IN THE COMING YEAR AS PUTTING ALL THE EXISTING IRRIGATION SYSTEMS INTO FULL OPERATION EITHER BY ADDING NEW FACILITIES OR BY CONTINUING WORK ON UNFINISHED PROJECTS. NEW IRRIGATION WORKS CAN BE STARTED WHERE CONDITIONS PERMIT. ACCORDING TO ESTIMATES OF THE MINISTRY OF POWER AND WATER CONSERVANCY, SAID CHI,

FINISHING ALL PROJECTS WOULD RESULT IN AN ADDITION OF IRRIGATED LAND OF 8 MILLION HECTARES. CHI STRESSED THE IMPORTANCE OF CAREFUL PLANNING, INCLUDING COST ACCOUNTING, FOR FUTURE PROJECTS. WATER CONTROL AND LAND CONSTRUCTION SHOULD BE THE FOCUS OF CAPITAL CONSTRUCTION. HE INSTRUCTED COUNTIES AND COMMUNES TO CREATE SEMI-PERMANENT SPECIAL CORPS OF TECHNICALLY COMPETENT CAPITAL CONSTRUCTION WORKERS WHO WILL TAKE ON DIFFICULT TECHNICAL ASSIGNMENTS WITHIN CAPITAL CONSTRUCTION PROJECTS AND SEE THESE PROJECTS TO A FINISH. THIS CORPS SHOULD BE COMPOSED OF FIVE PERCENT BUT NOT MORE THAN TEN PERCENT OF VILLAGE WORK FORCE. CHI SAID THAT IN ORDER TO MARSHAL MANPOWER RESOURCES, PLANS SHOULD BE MADE AND COORDINATED AT THE COMMUNE, COUNTY AND DISTRICT LEVEL. MOST PROJECTS SHOULD BE ORGANIZED AT THE FIRST TWO LEVELS SO LIMITED OFFICIAL USE

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PAGE 04 PEKING 02669 01 OF 02 260611Z

AS TO REDUCE THE BURDEN ON THE PEASANTS. COMMUNES SHOULD BE CAREFUL THAT CAPITAL CONSTRUCTION DOES NOT TAKE TOO MUCH MANPOWER AWAY FROM AGRICULTURAL AND SIDELINE OCCUPATIONS. THE "BIG WINTER-SPRING BATTLE" SHOULD TAKE PLACE OVER 50-70

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PAGE 01 PEKING 02669 02 OF 02 260616Z
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LIMITED OFFICIAL USE SECTION 2 OF 2 PEKING 2669

DAYS ONLY, AND SHOULD INVOLVE NO MORE THAN ABOUT 30 PERCENT OF THE WORKFORCE. CHI REITERATED LI'S INSTRUCTIONS (REF A) THAT MANAGEMENT OF CAPITAL CONSTRUCTION WORKS SHOULD BE IMPROVED AND LABOR PRODUCTIVITY HEIGHTENED. ACTUAL PROGRESS

IN IMPROVING LAND, RATHER THAN SIMPLY FIGURES OF TOTAL PERSONS ENGAGED IN PROJECTS AND TOTAL EARTH MOVED, WILL BE THE NEW GAUGE OF SUCCESS. CHI'S SPEECH EMPHASIZED THE IMPORTANCE OF MAINTAINING VOLUNTARISM AND "MUTUAL BENEFIT" IN CAPITAL CONSTRUCTION. CADRE WERE STERNLY INSTRUCTED TO AVOID OVERTAXING BRIGADE RESOURCES, TO "APPROPRIATELY COMPENSATE" LABORERS AND TO STRIVE FOR EQUITY WHEN SEEKING LOCAL MONEY AND MATERIAL SUPPORT FOR PROJECTS.

7. STATE AID: CHI SAID THAT THE LOCALITIES AND COMMUNES THEMSELVES SHOULD PROVIDE MOST OF THE FINANCIAL CAPITAL FOR CAPITAL CONSTRUCTION. DEVELOPMENT OF COMMUNE AND BRIGADE INDUSTRIES IS ONE WAY TO RAISE CAPITAL FOR THESE PROJECTS. AT THE SAME TIME, HE SAID, THE STATE WILL INCREASE ITS AID. NEXT YEAR THE STATE'S FINANCIAL INVESTMENT IN WATER CONTROL PROJECTS, INCLUDING SUBSIDIES FOR SMALL WATER CONTROL PROJECTS, WILL INCREASE NEARLY 40 PERCENT ABOVE THAT FOR THIS YEAR. PROVINCIAL GOVERNMENTS SHOULD EMULATE KIANGSU (WHICH INVESTS 70 PERCENT OF REVENUE IN AGRICULTURE) LIMITED OFFICIAL USE

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PAGE 02 PEKING 02669 02 OF 02 260616Z

AND INVEST AT LEAST 60 PERCENT OF REVENUE IN AGRICULTURE. THE STATE WILL GRANT LONG-TERM, LOW INTEREST LOANS AND HELP PROVIDE EQUIPMENT FOR THE CONSTRUCTION OF SMALL HYDRO POWER PLANTS AND WILL GRANT TAX EXEMPTIONS FOR THESE PLANTS. STATE ENTERPRISES WILL POLL THEIR RESOURCES TO SUPPLY EXPLOSIVES NEEDED DURING UPCOMING WINTER-SPRING SEASON.

8. COMMENT: IT WOULD NOW APPEAR THAT IRRIGATED AREA HAS BEEN EXPANDED TO ABOUT 50 MILLION HECTARES (THREE TIMES THE TEN GREAT YEARS FIGURE FOR IRRIGATED AREA IN 1950 OF 16.6 MILLION HECTARES). THE PACE OF CAPITAL CONSTRUCTION SEEMS TO HAVE INCREASED. IN REFTTEL A LI HSIEN-NIEN SAID THAT NEW AREA BROUGHT UNDER IRRIGATION IN RECENT YEARS HAS INCREASED BY 1.3 MILLION HECTARES ANNUALLY, WHICH WAS LESS THAN THE FIGURE OF 1.6 MILLION HECTARES GIVEN IN AUGUST 1977 (REF B). IT NOW APPEARS THAT LI'S FIGURE WAS ROUNDED DOWNWARD AND THAT THE HIGHER FIGURE IS MORE PRECISE. THE FIGURE OF 8 MILLION HECTARES (120 MILLION MOU) CITED BY CHI FOR AREA THAT COULD BE BROUGHT UNDER IRRIGATION QUICKLY ALSO SEEMS CORRECT. LI'S FIGURE OF 6.6 MILLION HECTARES WAS ROUNDED (IN THE CHINESE TEXT IT WAS "OVER 100 MILLION MOU").

10. THE STATE WILL OBVIOUSLY BE SPENDING MORE ON AGRICULTURAL CAPITAL CONSTRUCTION IN THE NEAR FUTURE. IT APPEARS ALSO THAT THE STATE WILL TRY TO EXERCISE MORE CONTROL AND SUPERVISION OVER CAPITAL CONSTRUCTION PROJECTS AND THEIR ADMINISTRATION, BUT HOW THIS IS TO BE DONE IS NOT APPARENT IN THE CONFERENCE SPEECHES. THOMAS

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